

From: Jeffrey Kogan <[REDACTED]>

To: "jeffrey E." <jeevacation@gmail.com>

Subject: Re: Jeffrey Kogan - Asset Lending Deal

Date: Thu, 09 Jun 2016 12:17:57 +0000

Attachments: Signed_Term_Sheet.pdf

JE: I just got a Term Sheet which clearly outlines the deal on the table.
(see attachment). JK

On Wed, Jun 8, 2016 at 2:13 PM, jeffrey E. <jeevacation@gmail.com> wrote:
call

On Wed, Jun 8, 2016 at 2:01 PM, Jeffrey Kogan <[REDACTED]> wrote:
See Attachment

On Wed, Jun 8, 2016 at 1:49 PM, jeffrey E. <jeevacation@gmail.com> wrote:
call me [REDACTED]

On Wed, Jun 8, 2016 at 11:50 AM, Jeffrey Kogan <[REDACTED]> wrote:
I really appreciate your perspective.
The question is, do you feel that I have sufficient downside protection.

The subject jet was appraised and inspected yesterday by a company hired by the investors. The appraised value was approximately \$6.0M (the engines are in great condition with a GE maintenance contract and recent upgrades were put into the jet). The loan is for \$2.25M for twelve months. I was thinking about putting \$500K into this deal. If in the event the borrower defaults, the investors already own full Title to the asset. They would terminate the borrower's Lease Agreement and then manage an orderly sale of the asset.

Do you feel that the investors have sufficient downside protection between \$6.0M and \$2.25M?

On Wed, Jun 8, 2016 at 10:08 AM, jeffrey E. <jeevacation@gmail.com> wrote:
i like the loan shark buz in general the question is the readily avable sale at the end

On Wed, Jun 8, 2016 at 9:56 AM, Jeffrey Kogan <[REDACTED]> wrote:
I understand.

In the deal that is closing tomorrow, the Group gets Title to the jet.

What Faith originally sent you was a deal my friend invested in in March 2016 and in that deal, the Group had a first lien on the jet.

A mutual friend of ours wanted to see the documentation from a past deal and that was an attachment to the email you received from Faith.

On Wed, Jun 8, 2016 at 9:46 AM, jeffrey E. <jeevacation@gmail.com> wrote:
jeff, if they are receiving title they are the owner not the lien holder , im confused

On Wed, Jun 8, 2016 at 9:43 AM, Jeffrey Kogan <[REDACTED]> wrote:
The group has dealt with reclaiming collateral and have been successful in every instance including a recent bankruptcy case. Investors never lost principal. If anything, they explained, they made more on the extra premium of the asset.

The deal on the table the group is inviting me to invest in, actually takes Title to the jet and Leases it back to the borrower. In the event there is a problem, the Group, as Owners of the jet, would terminate the lease and fly the jet back. In the event of loss or stolen jet (cannot be located), the insurance policy that the borrower paid for, would cover the insured value.

The deal closes tomorrow (Thursday) morning and investor funds have to be wired by then.

On Wed, Jun 8, 2016 at 7:17 AM, jeffrey E. <jeevacation@gmail.com> wrote:
the question is did the group ever have to take back collateral. getting back an airplane from a foreign country for ex . is a nightmare.

On Tue, Jun 7, 2016 at 5:07 PM, Jeffrey Kogan <[REDACTED]> wrote:
JE

https://www.globalair.com/aircraft_for_sale/Business_Jet_Aircraft/Bombardier/Challenger_604.html

Take a look at comps.

The appraisal came in at approx. \$5.9M (maybe high)

I'm thinking this asset can sell at some price. I can't believe it would have to be dumped to the point where it goes below principal. Based on Appraisal and link above, I would welcome a default from borrower.

Can I call you?

On Tue, Jun 7, 2016 at 3:19 PM, jeffrey E. <jeevacation@gmail.com> wrote:
liquidaion values only relevant if actually can be sold

On Tue, Jun 7, 2016 at 2:45 PM, Jeffrey Kogan <[REDACTED]> wrote:
Hello Jeffrey

Thank you for looking at Faith's email yesterday. I sent it to Faith to give her a better understanding of asset lending deals I want to invest in. The email I sent to Faith was also intended for a friend that asked to see the type of documentation that accompanied a typical asset deal. Those documents were attached to the email that both you and Faith received. It included:

Operating Agreement (Copy)

Aircraft Security Agreement (Copy)

Promissory Note (Copy)

Guaranty (Copy)

My friend, who is inviting me into these asset deals, participated in the Hawker 800XP deal that closed in March 2016. In this particular deal, an aviation broker took the Hawker 800XP in as a trade-in for a sale of a new jet. This particular Hawker was appraised at \$2.5M but the broker's price was \$1.9M. For whatever reason, the broker needed \$800K for this sale and trade-in. The lending group provided the \$800K at 10% interest for a period of six months. The lending group received all the interest up front at closing and as a guaranty on the loan, the lending group received a first lien on the Hawker 800 that was traded in and appraised at \$2.5M.

A new deal is on the table that I want to invest in. The lending group is providing approximately \$2.25M to an individual at 10% interest for a period of one year. In return and as a guaranty for the loan, the lending group is receiving full title to a Challenger 604 jet owned by the individual appraised by Aviation Asset Management Inc. at \$5.9M (liquidation value is \$5M). The jet will be leased back to the borrower during the year. There are details regarding use depreciation of the jet during this one year period that cover the lending group as well. All closing costs including the appraisal are paid by the borrower. In addition, an insurance policy is put in place on the jet and paid by the borrower just as a bank would have required it were the bank providing the loan.

I would welcome your thoughts on both this deal and future deals like it. With your blessings, writing a check for this investment would be a lot easier.

If you have any questions, which I hope you do, I would add my friend to a call as he is more familiar with the nuances of these deals and therefore more apt to provide a reasonable answer.

Thanks,

Jeffrey Kogan

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